Export Activity of Greek Firms and Innovation

Export performance

(Katsikeas et al. 2000)

Export performance is of interest to:

- Policy makers
- Managers
- Researchers

Export performance

- Time Horizon:
  - Historical
  - Current
  - Future

(Katsikeas et al. 2000)

Export performance

- *Measures: Economic, non-economics, Generic*

- Sales related
- Profit related
- Market share related
- Product related
- Market related
- Miscellaneous

(Katsikeas et al. 2000)

Export performance

- Most frequently utilized in empirical research:
  - Export sales intensity
  - Export sales
  - Export sales growth
  - Export profitability

(Katsikeas et al. 2000)

Export performance

- Export propensity
  - Export intensity
    - Export diversity

Export performance

- Resource Based View (RBV)
- Institutional Based View (IBV)

Export performance

- Contingency theory
- Organizational learning theory (OLT)

Export performance

Wagner, J. (2012)

- Productivity
- Self selection
- Learning by exporting

Export performance

- Productivity
  - Number of export markets
  - Exports to developed economies
  - Two-way traders

Innovation

- R&D
- Patent

Becheikh et al. (2006)

Innovation

- Radical Innovation
- Incremental Innovation

Innovation

- Product Innovation
- Process Innovation

Innovation

Scotchmer (2004)

- Patents:
  - Patentable subject matter
  - Utility
  - Novelty
  - Non-obviousness

Innovation

- Strong positive relationships:
  - Exporting - Growth
  - Exporting - Innovation activities

(Love and Roper, 2015)

Export performance & Innovation

- Internal Factors
- External Factors

Exporting & Innovation (SMEs)

- *Internal enablers*
  - *Skills, leadership and people management*
  - *R&D*
  - *Capital investment and equipment*
  - *Internal financing*
  - *Design*
  - *Intellectual property management*
  - *Leadership and strategy*

- *External enablers*
  - *Knowledge enhancing or augmenting factors*
  - *Resource-enhancing or augmenting factors*

- *Demand-side effects on innovation and exporting*

(Love and Roper, 2015)

	Internal enablers	External enablers	Innovation, exporting and growth
Areas of agreement	High-quality skills contribute positively to innovation and exporting success.	Purposive links formed between SMEs can play a positive role in innovation and export growth.	There is a strong positive association between innovation, exporting and performance in terms of productivity and/or growth.
	The importance of technical skills is also increasingly matched by the value of networking and team-working skills.	SME links are likely to be more positive in 'stronger' eco-systems and where SMEs have greater absorptive capacity.	Innovation and exporting appear to work jointly to improve performance.
	There is strong positive relationship between R&D and innovation across all firm size bands and industries.	Targeted public support for innovation and exporting yield significant additionality.	There is a substantial element of interdependence between innovation and exporting, and self-selection is common.
	Innovation and export success are positive related to firms' physical capital investments.	Demand-side factors can provide an important stimulus to both innovation and exporting.	
	A positive relationship exists between innovation and export activity and strong cash-flow and liquidity.	The evidence emphasises the positive role of consumer or user-led innovation and public procurement in stimulating SME development.	

- (Love and Roper, 2015. p.42)

Areas of contention			
	Robust evidence on the role of people management and employee engagement in shaping firms' innovation and exports is limited, particularly in SMEs.	Relatively little is known about the mechanisms through which the gains from 'being there' operate, particularly for SMEs.	Evidence on SMEs is fairly patchy – specifically, we know little about how much the innovation–exporting–performance relationship involves self-selection for SMEs.
	There has been little rigorous analysis of the returns to design in SMEs.	It is unclear which eco-system characteristics are influential for SMEs' innovation and export success.	Information on different types of innovation and their effects on SME performance is limited.
	The innovation and export benefits of IP management in SMEs remain poorly understood.	It is unclear which types of purposive linkages have the greatest benefits for SMEs, particularly in terms of supporting export development.	Evidence on the performance implications of intermittent exporting by SMEs is limited.
	The links between workforce diversity and other firm characteristics such as family ownership, firms' innovation and export success remain little explored.	There is some uncertainty about the importance of learning by exporting for SMEs.	What should the key measure be? Productivity is the key issue in many studies, following the theoretical literature, but should (sales) growth be the key performance measure?
	Relatively little is known about the relationship between business strategy and planning and innovation and exporting success in SMEs.		

- (Love and Roper, 2015. p.42)

Export performance & Innovation

- Industry type effects
- Firm size effects

Eurostat indicators

- High-technology
- Medium-high-technology
- Medium-low-technology
- Low-technology
- Knowledge-intensive services
- High-tech KIS
- Market KIS
- Less Knowledge-intensive services
- Market services less KIS

Small and Medium sized firms

- Majority of empirical studies focus on SMEs
- SMEs make the majority of total number of companies
- The size of SMEs is important (especially in Greece - large number of micro companies)

Small and Medium sized firms

- Criteria:
  - staff headcount
  - annual turnover
  - annual balance sheet total

Small and Medium sized firms

- Resources:
  - Ownership
  - Partnership
  - Linkages

Firm size in empirical literature

- *Measures:*

  - Measures differ among studies (e.g. number of employees, annual sales) making comparisons difficult

  - the meaning of the terms ‘small’, ‘medium’ and ‘large’ varies greatly in an international context.

    - (Sousa et al. 2008)

Export performance & Innovation

- Mediators
  - Moderators
    - Controls

Export performance

- Empirical literature mostly considers developed economies
- Growing number of studies in emerging economies

Export performance & Emerging economies

- e.g. Krammer et al. (2018):
  - what institutional features in emerging economies affect Emerging economies* firms' likelihood of becoming exporters?
  - which firm capabilities determine their subsequent success?

*BRIC

Export performance & Emerging economies

- Export propensity
  - Political instability
  - Competition from informal sector
  - Corruption level
- Export intensity
  - Skilled labor force
  - Access to external technologies
  - Managerial experience

Krammer et al. (2018)

Export performance & Emerging economies

- Weak home-country institutions → seek out overseas Markets → export Propensity
- Firm capabilities → export intensities

- Institutional environments and internal capabilities of firms in developed economies differ from those of emerging economies (implications for IBV and RBV/ what about Greece?)

Table 1
Previous studies of the export performance of Emerging Economy Firms (EEFs).

Study	Dataset	Dependent Variable	Significant Determinants
Aulakh et al. (2000)	Firms from Brazil, Chile & Mexico	Subjective measure of export performance	Cost leadership Product differentiation Marketing standardization
Filatotchev et al. (2001)	152 firms from Russia, Ukraine & Belarus	Export intensity	Product development Foreign partners Unrelated acquisitions
Ling-yee and Ogunmokun (2001)	111 Chinese firms	Subjective export performance	Marketing planning capability Export financing capability Relationship cooperation Changes in relational intensity
Zhao and Zou (2002)	1049 Chinese firms	Export propensity and export intensity	Industry concentration Geographic location
Alvarez (2004)	295 Chilean SMEs	Export intensity	Efforts in international business (through export committees) Process innovation Utilization of export promotion programs
Estrin et al. (2008)	494 MNE subsidiaries from Egypt, South Africa, India, Vietnam, Poland & Hungary	Export propensity and export intensity	Distance from parent MNE Size of parent MNEs Acquisition of subsidiaries Host country institutions
Filatotchev, Stephan, and Jindra (2008)	434 FIEs from Poland, Hungary, Slovenia, Slovakia & Estonia	Export intensity	Majority foreign ownership Foreign control over marketing Foreign control over strategic management
Singh (2009)	3542 Indian manufacturing firms, 1990–2005	Export intensity	Firm size, R & D intensity, Advertising intensity, Business group affiliation, Industry effects
Gao et al. (2010)	18644 Chinese firms, 2001–2005	Export propensity and export intensity	Cost leadership, Differentiation, free market institutions, intermediary institutions, and industry export orientation
He et al. (2013)	285 Chinese manufacturing firms, 2008	Export channel choice (Subjective indicator)	Market orientation capabilities institutional distance between home and target country
He and Wei (2013)	196 Chinese manufacturing firms	A subjective composite indicator of export performance	External networks; Propensity of exporting to distant markets; Absorptive capacity (moderator)
Lengler et al. (2013)	197 Brazilian firms	Export sales and export profit	Customer orientation Competitor orientation
Wang et al. (2013)	141 Chinese manufacturing firms, 2000–2003	Export intensity and export volume	External technology acquisition
Yi et al. (2013)	359,874 Chinese manufacturing firms, 2005–2007	Export intensity	Foreign ownership, business group affiliation, and the degree of marketization as moderators of the link between innovation and exporting
Agnihotri and Bhattacharya (2015)	450 Indian manufacturing firms, 2002–2012	Export intensity	Top management team characteristics including—educational level, functional heterogeneity, international exposure, age, and length of tenure with their current firm.

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